



# DEPARTMENT OF THE AIR FORCE

WASHINGTON DC 20330

Office Of The Assistant Secretary

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

11 JUN 2001

FROM: SAF/AQC  
1060 Air Force Pentagon  
Washington DC 20330-1060

SUBJECT: Central Contractor Registration (CCR)/Electronic Funds Transfer (EFT) Clauses


At our request, the Air Force Audit Agency (AFAA) conducted a survey at several Air Force locations to review compliance with the CCR and EFT requirements of DFARS 204.73 and FAR 32.11, and determine whether appropriate CCR and EFT clauses were incorporated into Air Force contracts. Some compliance problems were identified at each location.

AFAA found that a significant number of the 202 FY 2000 contract actions reviewed did not contain the required clauses for CCR (252.204-7004, 13%) and EFT (52.232-33, 6%). Many awards used BCAS, but SPS awards also were affected. On 5% of the contract actions the vendor was not registered in CCR at time of award. In many of those cases, buyers indicated they had forgotten to verify registration.

AFAA also found that information about a vendor's CCR status was not always updated after being manually entered into the local SPS Procurement Desktop II (PD2) database. Therefore, it was possible for a vendor's CCR registration to expire, yet still be carried in the local PD2 in a "current" status, which would not be accurate for subsequent awards.

The absence of these two mandatory clauses can result in delayed payments to vendors. We ask you to review your local procedures to ensure that CCR and EFT clauses are being included where required; and contracting officers are verifying that vendors are registered and current in the CCR database (unless one of the exceptions at DFARS 204.7304 applies). Additionally, please ensure that CCR information input manually into PD2 systems is kept current.

A summary of the AFAA's findings is attached. Our point of contact for this action is Paul A. Schill, SAF/AQCP, DSN 425-7053, Commercial 703-588-7058. His e-mail address is: [paul.schill@pentagon.af.mil](mailto:paul.schill@pentagon.af.mil).

  
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Associate Deputy Assistant  
Secretary (Contracting)  
Assistant Secretary (Acquisition)

Attachment: Summary of AFAA Findings

### Summary of AFAA Findings

- Review performed at four locations, based on contract awards from 4-1-00 to 9-30-00
- Sample of 69 contracts valued greater than \$25,000, and 133 contracts less than \$25,000

#### Contract clause results:

	FAR 52.232-33 (EFT) Not in Contract				DFARS 252.204-7004 (CCR) Not in Contract			
	Over \$25K		Under \$25K		Over \$25K		Under \$25K	
Location "A"	0	33	3	59	0	33	5	59
Location "B"	1	16	3	32	2	16	1	32
Location "C"	0	4	3	21	0	4	3	24
Location "D"	0	16	3	21	8	16	8	21
Totals	1	69	12	133	10	69	17	133
Percentage Anomalies	1.45%		9.02%		14.49%		12.78%	

#### Causes:

- BCAS users accidentally overlooked including the required clauses, all were aware of CCR requirements
- SPS users - 3 Flights
  - 2 Flights consistently omitted 252.204-7004 from contracts
  - 3rd Flight had a desktop guide that included checking to affirm required clauses were in contracts

#### Central Contractor Registration results:

	Not CCR Registered or Current at Award				Not Current in CCR at time of AFAA Survey			
	Over \$25K		Under \$25K		Over \$25K		Under \$25K	
Location "A"	1	33	6	59	0	33	1	59
Location "B"	1	16	1	32	0	16	1	32
Location "C"	1	4	1	21	0	4	0	24
Location "D"	0	16	0	21	1	16	1	21
Totals	3	69	8	133	1	69	3	133
Percentage Anomalies	4.35%		6.02%		1.45%		2.26%	

#### Causes:

- Two contracts had CCR query results in file indicating vendor in "expired" status; buyers did not note status, accepted vendors registration as valid and made the award
- For remaining nine awards to vendors not registered in CCR, buyers indicated they must have forgotten to verify vendor registration prior to award
- All cases of awards to vendors that were not current in CCR were still using BCAS
- For four vendors not active and current in CCR at time of AFAA survey:
  - Two vendors serviced installations still using BCAS; both were awarded contracts while not active and current in CCR; neither vendor was active and current in CCR at time of survey
  - Two vendors serviced installation using SPS; both were carried as "approved" in SPS/PD2 at the time of the survey, and could have been awarded a contract at any time

#### Discussion with Installation Management:

- Contracting officers at BCAS sites indicated a need to remind buyers to query CCR prior to award, and to require proof of CCR queries be included in contract file
- Contracting officers at SPS site indicated need for direct interface with CCR, allowing automated system updates of vendor information